

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 00-0036

Individual Income Tax

Calendar Year 1998

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ISSUE(S)

I. **Tax Administration** – Late payment penalty

Authority: IC 6-8.1-10-2; 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer's representative, in a letter dated September 30, 1999 protested the penalty because it had an extension of time to file until August 15, 1999.

I. **Tax Administration** – Penalty

DISCUSSION

At issue is whether the taxpayer had reasonable cause in not submitting payment timely.

Taxpayer made no payments until after the due date of the return. Taxpayer requests the department waive its penalty as Indiana recognizes the valid federal extension. Taxpayer filed its return on May 19, 1999 with payment of tax due shown on the return.

IC 6-8.1-10-2 (a) states:

If a person fails to file a return for any of the listed taxes or fails to pay the full amount of tax shown on his return on or before the due date for the return or payment, incurs, upon examination by the department, a deficiency which is due to negligence, or fails to timely remit any tax

held in trust for the state, the person is subject to a penalty.

IC 6-8.1-6-1(c) states:

If the Internal Revenue Service allows a person an extension on his federal Income tax return, the corresponding due dates for the person's Indiana income Tax returns are automatically extended for the same period as the federal extension, plus thirty (30) days. However, the person must pay at least ninety percent (90%) of the Indiana income tax that is reasonably expected to be due on the original due date by that due date, or he may be subject to the penalties imposed for failure to pay the tax.

Taxpayer should have remitted at least ninety percent (90%) of the tax due by April 15, 1999. Taxpayer has not provided reasonable cause for failure the remit tax by the due date.

FINDING

Taxpayer's protest is denied.